

Statement for the Record
The Honorable John W. Douglass
President and CEO, Aerospace Industries Association
June 20, 2007
International Trade Commission

On behalf of its nearly 300 regular and associate members, the Aerospace Industries Association (AIA) supports Congressional approval of the U.S.-Korea Free Trade Agreement (FTA) that was concluded on April 1, 2007.

The Republic of Korea is the United States' seventh largest trading partner and has a \$1 trillion economy. U.S. exports to Korea totaled \$32.5 billion in 2006, with American aerospace exports to Korea totaling \$3.46 billion.

Aerospace companies lead the U.S. economy by maintaining the largest positive balance of trade. Our industry exports 40 percent of our total production and as much as 70 percent of our civil aircraft production. Open, global markets and free trade, therefore, play a central role in supporting the vitality of our industry's 635,000 American workforce.

The U.S.-Korea free trade agreement could make Korea our largest FTA partner in 15 years. Nearly 95 percent of bilateral trade in consumer and industrial products is expected to become duty-free within three years of entry into force of the agreement, with most remaining tariffs expected to be eliminated within ten years.

The agreement promises to eliminate a number of tariffs and other barriers to trade, promote economic growth, enhance the protection of intellectual property rights, and bolster economic ties between the United States and Korea. This FTA would also strengthen the U.S.-Korea bilateral relationship, underscoring the importance of U.S. engagement with and commitment to our allies in East Asia.

AIA is grateful for the leadership of President Bush, U.S. Trade Representative Susan Schwab and Secretary of the Treasury Hank Paulson for their efforts in concluding a robust free trade agreement with Korea that benefits the U.S. aerospace industry and our workforce. We would also like to recognize the Chairmen and Ranking Members of the House Ways and Means Committee and the Senate Finance Committee for their leadership in working with the Administration on a bipartisan trade deal that will enable the U.S.-Korea relationship and FTA to move forward.

As such, the Aerospace Industries Association of America and its members strongly urge the Congress to expeditiously approve this important agreement.